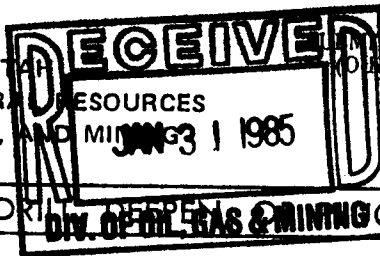


\overline{X}

MOUNTAIN RESOURCE CORP

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING



IN TRIP
Other instructions on
reverse side

CONFIDENTIAL
WELL STATUS

FEE 16

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil Well ☐Gas Well ☒Other ☐Single Zone ☒Multiple Zone ☐

2. Name of Operator

MOUNTAIN RESOURCE CORPORATION

3. Address of Operator

P.O. Box 27444, SALT LAKE CITY, UTAH

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface

SE1/4SE1/4, Sec. 16, T21S, R7E (660' FSL, 1224.5' FEL)

At proposed prod. zone

AS SHOWN ABOVE

14. Distance in miles and direction from nearest town or post office*

6 Miles South of FERRON, UTAH

12. County or Parrish 13. State

EMERY County, Utah

15. Distance from proposed*

location to nearest

property or lease line, ft.

(Also to nearest drlg. line, if any)

660 feet

16. No. of acres in lease

160 Acres

17. No. of acres assigned

to this well
160 Acres18. Distance from proposed location*
to nearest well, drilling, completed,
or applied for, on this lease, ft.

3,920 feet

19. Proposed depth

1,000 feet

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

6,180 ft. GR

22. Approx. date work will start*

FEB. 8, 1985

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
9 1/2"	7 5/8"	20#/ft.	80 feet	250 sacks to surface
6 3/4"	4 1/2"	10.5#/ft.	1,000 feet	

A. ESTIMATED TOPS: 1) MANCOS SHALE surface to Ferron Sandstone at 700 ft. 2) TUNUNK SHALE (bottom of Ferron) at 900 ft. 3) Well T.D. at 1000 ft. **B. GAS BEARING FORMATION:** Natural Gas is anticipated at the top and throughout the Ferron Formation. Natural gas will be protected by the casing programs as shown above (other minerals/hydrocarbons/water not anticipated). **C. PRESSURE CONTROL EQUIPMENT:** The blowout preventor to be used is designed to control up to 3,000 psi working pressures. The BOP will be inspected and operated daily, tested to 400 psi to insure proper operation and installed prior to drilling the surface casing plug and will remain in use until the well is completed. **D. SUPPLEMENTARY INFORMATION:** Anticipated pressure while setting surface casing to a depth of 100 feet is 40 psig. **E. CIRCULATING MEDIUM:** This well will be drilled using air as the circulating medium. KCL water will be used during the logging and casing programs. **F. LOGGING/TESTING PROGRAM:** Well will be drilled to a depth sufficient to fully test and evaluate the Ferron formation. Anticipated open hole logs include a gamma ray-caliper, compensated neutron density and dual induction guard. No coring is planned. **G. ANTICIPATED PRESSURES/HAZARDS:** Bottom Hole pressure of 350 psig. No additional hazards are anticipated. Pressure will be controlled with BOP and fluids. **H. OTHER:** This well will be located on a 160 acre Spacing Unit (Order under Cause No. 7-11A as modified under Cause NO. 7-13).

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed: V. La Roy Hansen

Title: Vice President

Date: 1/31/85

(This space for Federal or State office use)

Permit No.

Approval Date:

Approved by:

Title:

Conditions of approval, if any:

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 2/5/85

BY: [Signature]

CERTIFICATE

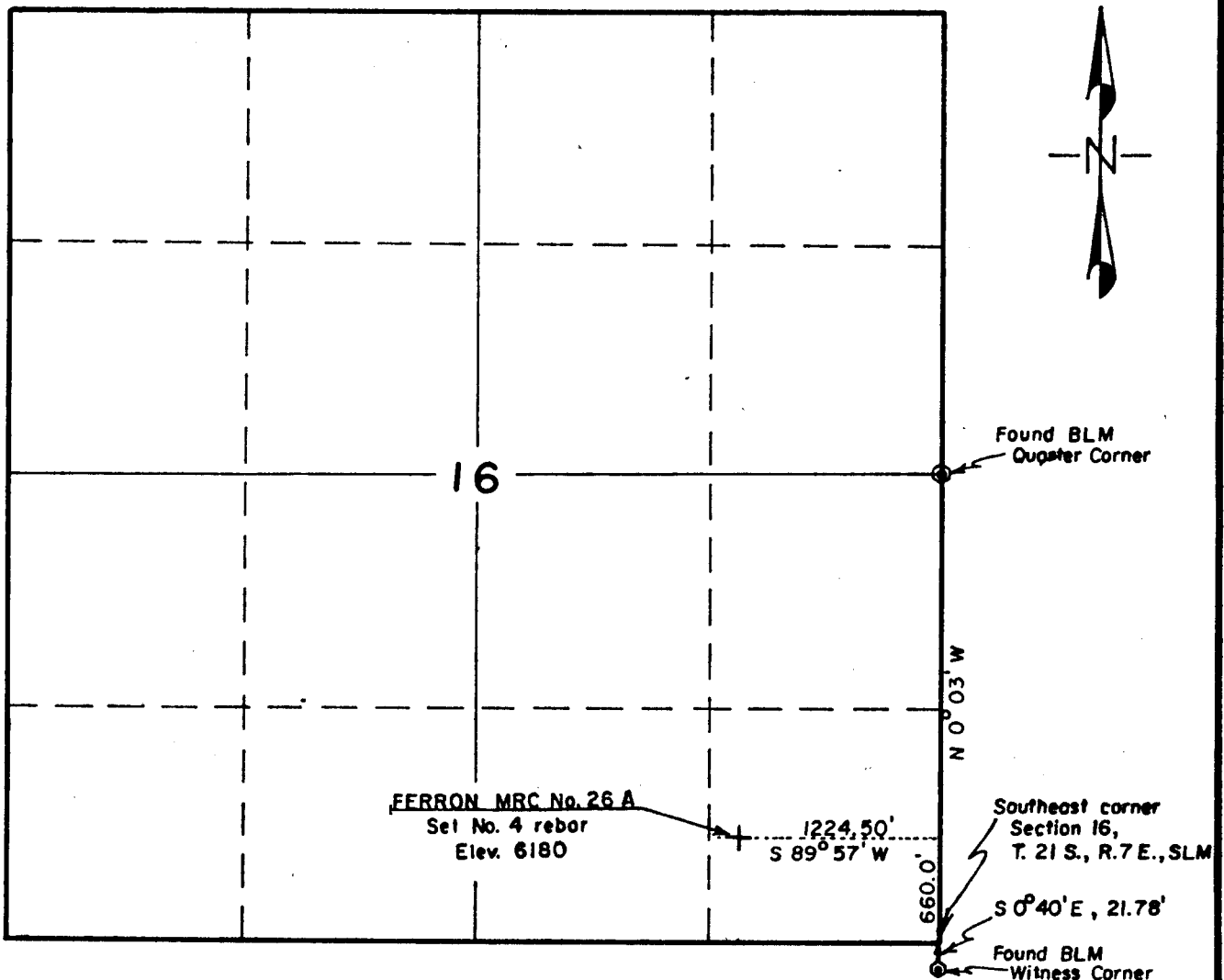
FERRON MRC No. 26 A,

LOCATED AT A POINT WHICH IS N 0° 03' W
660.0 FT. AND S 89° 57' W, 1224.50 FT
FROM THE SOUTHEAST CORNER OF SECTION
16, TOWNSHIP 21 SOUTH, RANGE 7 EAST OF
THE SALT LAKE MERIDIAN.

I, Lee Mont Swasey, A LICENSED SURVEYOR,
HOLDING CERTIFICATE NO. 8108, DO HEREBY CERTIFY THAT
THE PLAT SHOWN HEREON HAS BEEN PREPARED FROM A
FIELD SURVEY MADE UNDER MY DIRECTION AND CORRECTLY
SHOWS THE DIMENSIONS AND MONUMENTS OF THE PROP-
ERTY DESCRIBED TO THE BEST OF MY KNOWLEDGE AND
BELIEF. FURTHERMORE, ENCROACHMENTS OF FENCES AND
IMPROVEMENTS ARE SHOWN WITH THE FOLLOWING EX-
CEPTIONS:

BASIS OF BEARING:

N 0° 03' W BETWEEN THE SOUTHEAST CORNER
AND THE EAST QUARTER CORNER OF SECTION
16, T. 21 S., R. 7 E., SLM.



SECTION	TOWNSHIP	RANGE
16	21 S	7 E
DATE	SCALE	BLOCK
JAN. 1985	1" = 1000'	
PLAT	SURVEY	

LEE MONT SWASEY

REGISTERED LAND SURVEYOR
JOHANSEN & TUTTLE ENGR. INC.
CASTLE DALE, UTAH

SURVEY FOR

MOUNTAIN RESOURCE CORP.
P.O. BOX 27444
SALT LAKE CITY, UTAH 84127


Max Ralphs, Mayor
City of Ferron
P.O. Box 820
Ferron, Utah 84523

January 11, 1985

TO WHOM IT MAY CONCERN:

I, MAX RALPHS, as Mayor of the City of Ferron, hereby certify that the City of Ferron has reached an agreement to sell water to MOUNTAIN RESOURCE CORPORATION to be used in their oil and gas drilling activities for the Ferron-MRC #25, 26, 27, and 28 wells in Emery County, Utah.

Dated this 14 day of January, 1985



Max Ralphs, Mayor
City of Ferron

NAME	ACTION CODE(S)	INTL
NORM		<i>W</i>
TAMI	<i>3A-Norm</i>	<i>J</i>
VICKY		
CLAUDIA		
STEPHANE	<i>1</i>	<i>B</i>
CHARLES		
RULA	<i>2</i>	<i>Kym</i>
MARY ALICE		
CONNIE		
MILLIE		
PAM	<i>FILE, Norm</i>	<i>pb</i>

Required Action Code

1. ~~3~~ Data Entry
2. Filming
3. Posting
 - a. Card Index
 - b. File Label
 - c. Lists
4. Bonding Verification
5. Other (See Norm)

OPERATOR

Mountain Resource Corp

DATE

2-1-85

WELL NAME

Jurion - MRC #26A

SEC

SE SE 16

T

215

R

7E

COUNTY

Emery

43-015-30215

API NUMBER

Fee

TYPE OF LEASE

CHECK OFF:



PLAT



BOND



NEAREST WELL



LEASE



FIELD



POTASH OR
OIL SHALE

PROCESSING COMMENTS:

No other well in SE SE

Water & - City of Jurion

APPROVAL LETTER:

SPACING:



A-3

UNIT



c-3-a

7-11A 8/26/83

7-13 7/27/84
CAUSE NO. & DATE



c-3-b



c-3-c

STIPULATIONS:



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

February 5, 1985

Mountain Resource Corporation
P. O. Box 27444
Salt Lake City, Utah 84115

Gentlemen:

Re: Well No. Ferron-MRC #26A - SE SE Sec. 16, T. 21S, R. 7E
660' FSL, 1225' FEL - Emery County, Utah

Approval to drill the above referenced gas well is hereby granted in accordance with Order of Cause No. 7-11A dated August 26, 1983.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.
4. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-015-30215.

Sincerely,

R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

March 28, 1986

Mountain Resource Corporation
P.O. Box 27444
Salt Lake City, Utah 84115

Gentlemen:

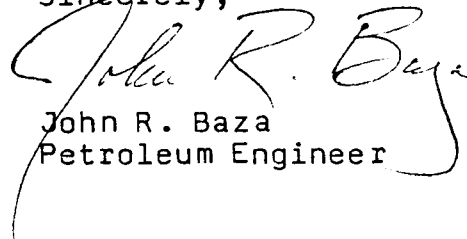
RE: Well No. Ferron-MRC 26A, Sec.16, T.21S, R.7E,
Emery County, Utah, API NO. 43-015-30215

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective one calendar month from the date of this notice.

If it is your intent to proceed with operations on the well, you must submit a request for extension of the approval to drill within the one month grace period. After the grace period, a new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,


John R. Baza
Petroleum Engineer

cc: D. R. Nielson
R. J. Firth
Well file
0278T-9